



STEINHOFF INTERNATIONAL HOLDINGS N.V. – EXECUTION AND FUNGIBILITY BETWEEN THE JSE AND XETRA

19 February 2016

Introduction

- Steinhoff International Holdings N.V. (“Steinhoff” or the “Company”) is an integrated discount retailer that manufactures, sources and retails furniture, apparel, household goods and general merchandise in Europe, Australasia and Africa.
- Steinhoff listed on the Frankfurt Stock Exchange (“FSE”) (Symbol – SNH, ISIN NL0011375019) and commenced trading on 7-December -2015. With a market capitalisation of c. EUR 19 billion (as of 7-Dec-2015), Steinhoff was the largest Prime Standard Listing in Germany in 2015 (Source: <http://www.steinhoffinternational.com/>).
- The Company also has a secondary listing on the Johannesburg Stock Exchange (“JSE”) (Symbol – SNH, ISIN NL0011375019).
- The two trading lines are fully fungible and offer identical rights (e.g., voting, equity ownership) to investors in the two jurisdictions. All international investors therefore have unrestricted access to trade on both exchanges.
- The Company has also put in place a fungibility arrangement and has appointed Deutsche Bank as one of its designated sponsors. The fungibility arrangement allows non-South African resident investors (“Investors”) to transfer their positions to the FSE XETRA Register, administered by Clearstream (“the Frankfurt Register”) from the South African JSE Register, administered by Strate (“the South African Register”) (and vice versa) within one business day after the instruction to transfer is given at a minimal cost (see Appendix 1). This is a new process and differs from the fungibility arrangements traditionally put in place for dual listed stocks.

It should be noted that the fungibility arrangements will not be available to South African resident investors, as such investors will require approval from the Financial Surveillance Department of the South African Reserve Bank (“Excon”) to effect transfers between the relevant registers. In this regard, South African investors looking to move their positions to the Frankfurt Register from the South African Register on a long term basis would need to utilise their foreign investment allowances and will need to obtain the relevant Excon approval and follow reporting procedures.

- The purpose of this notice is to provide Investors and brokers with information on the process and mechanism for transferring their positions between the Frankfurt Register and the South African Register.

Fungibility

- The fungibility process allows the Investors to maintain their positions in the jurisdiction of their choice.
- All Investors in Steinhoff can move their holdings from one register to the other (subject to approvals), provided such Investors have custody arrangements in Germany as well as South Africa.
- The fungibility mechanism that has been put in place allows Investors to optimize their execution in whichever exchange is economically beneficial for a given liquidity or price differential at a point in time, after taking into account transaction costs, taxes and potential re-alignment costs between the two markets (see Appendix 1)
- Investors are able to engage Deutsche Bank, as one of Steinhoff’s Designated Sponsors and Market Makers, or their brokers regarding the removal and re-alignment process.

- Settlement on the FSE's Xetra system is currently done on a trading day plus 2 business days ("T+2") basis.
- Settlement on the JSE is currently done on a trading day plus 5 business days ("T+5") basis. However, the JSE has indicated that this settlement basis is expected to change to T+3 in June or July 2016.
- An Investor looking to buy Steinhoff has the option of purchasing the stock on Xetra or the JSE. In the event there are no sellers on Xetra or it is economically more beneficial to buy the stock on the JSE, a broker can be instructed to execute on the JSE and re-align the stock from the South African Register to the Frankfurt Register (and vice versa) for delivery into the clients account. An Investor could similarly instruct a sale in whichever market was optimal.

Trading Costs on Xetra and the JSE

- Exchange costs are negligible (see Appendix 1)
- There is no stamp or similar transaction costs on Xetra
- A purchase of stock on the JSE would attract 0.25% securities transfer tax ("STT")
- The costs associated with this removal and re-alignment are immaterial (see Appendix 1)

Contact details

Deutsche Bank in its role as one of the Designated Sponsors and Market Makers to Steinhoff has undertaken to provide liquidity on the Xetra and subject to exchange rules, regulations and requirements will make bid and offer prices to ensure continuous liquidity during trading hours.

For questions or queries, please contact:

For South African investors:

Ockie Raubenheimer - +27 11 775 7840

For international investors:

Jens Hagemann - +49 69 910 34495 / Uwe Ruppert - +49 69 910 30691

Or

Contact your Deutsche Bank Relationship manager / broker

Appendix 1: Costs

Indicative SA trading costs

- (a) Uncertified Securities Tax = $0.25\% \times \text{Gross Notional Value}$
- (b) Investor Protection Levy = $0.0002\% \times \text{Gross Notional Value}$
- (c) Strate Settlement Charges = Capped at R 54.59
- (d) Commission = As applicable
- (e) VAT = 14%, chargeable on (b), (c) and (d)

Indicative Removal Cost

Approximately R 150.00 per transaction

Indicative Xetra Trading Costs

Commission = As applicable

Settlement and other miscellaneous charges = 0.0048%

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